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UNITED STATES DISTRICT COURT
 CENTRAL DISTRICT OF CALIFORNIA

SACV09-01219 CJC (RNBx)

BMW of North America, LLC and
 Bayerische Motoren Werke AG,

Plaintiff,

v.

Babak Nafe *dba* Eurowheelsusa
 and J2 Wheels, Inc.,

Defendants.

) Case No.
)
) **COMPLAINT FOR**
) **TRADEMARK AND**
) **DESIGN PATENT**
) **INFRINGEMENT AND**
) **UNFAIR COMPETITION;**
) **AND DEMAND FOR JURY**
) **TRIAL**

Plaintiffs BMW of North America, LLC and Bayerische Motoren Werke AG (collectively "BMW") seek injunctive and monetary relief from Defendants Babak Nafe d/b/a Eurowheelsusa (hereinafter, "Eurowheelsusa") and J2 Wheels, Inc. (collectively "Defendants") for trademark and design patent infringement and unfair competition. As alleged more fully below, Defendants have violated the Trademark Act of 1946 as amended, 15 U.S.C. §§ 1051 *et seq.* (the "Lanham Act"), and California law through their unauthorized use of BMW's "Roundel" logo, M-Stripes logo and "BMW" mark in connection with the advertisement and sale of wheels that are not made or authorized by

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 CENTRAL DIST. OF CALIF.
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1 BMW. Defendants have also violated the Patent Act, 35 U.S.C. § 271, through their
2 sale of wheels that infringe Plaintiffs' design patents.

3 **Parties**

4 1. Plaintiff BMW of North America, LLC ("BMW NA") is a Delaware
5 limited liability company with its principal place of business at 300 Chestnut Ridge
6 Road, Woodcliff Lake, New Jersey 07677. BMW NA is a wholly owned subsidiary of
7 BMW (US) Holding Corporation, a Delaware corporation, which is a wholly owned
8 subsidiary of Bayerische Motoren Werke AG. BMW NA is the exclusive authorized
9 distributor of "BMW" automotive and related products in the United States.

10 2. Plaintiff Bayerische Motoren Werke AG ("BMW AG") is a corporation
11 organized under the laws of the Federal Republic of Germany with its principal place of
12 business at Petuelring 130, 80809 Munich, Germany. BMW AG manufactures motor
13 vehicles, wheels, and other parts for sale in Germany and for export and sale throughout
14 the world.

15 3. Defendant Babak Nafe is an individual doing business as "Eurowheelsusa"
16 at 13664 East Laurel Lane, Scottsdale, AZ 85259. Upon information and belief,
17 Defendant is owner of Eurowheelsusa and has personally directed the activities alleged
18 herein.

19 4. Defendant J2 Wheels, Inc. is a California corporation located at 8485
20 Artesia Boulevard, Suite B, Buena Park, CA 90621. J2 Wheels, Inc. is, upon
21 information and belief, a wheel manufacturer and distributor.

22 **Jurisdiction and Venue**

23 5. This is an action arising under the patent and trademark laws of the United
24 States, specifically Titles 35 and 15 of the United States Code, 35 U.S.C. § 271 and 15
25 U.S.C. § 1051 *et seq.*

26 6. This Court has personal jurisdiction over Defendants because they reside in
27 and/or do business in California. According to Defendant Eurowheelsusa's seller
28

1 profile at ebay.com, Eurowheelsusa has sold 94 wheel sets to customers in California
2 since October 13, 2008.

3 7. This Court has jurisdiction over the subject matter of this action under 15
4 U.S.C. § 1121 and 28 U.S.C. §§ 1331 and 1338(a) and 1338(b), and has supplemental
5 jurisdiction under 28 U.S.C. § 1367(a) over BMW's claims under California law.

6 8. Venue is proper in this District under 28 U.S.C. § 1391(b), as Defendant J2
7 Wheels, Inc. has its principal place of business in this District and, upon information
8 and belief, a substantial part of the events or omissions giving rise to the claims herein
9 have been occurring in this District.

10 **BMW's Trademarks**

11 9. BMW is in the business of designing, manufacturing, and distributing
12 motor vehicles, wheels, and a variety of other products under various trademarks,
13 including the word mark "BMW" and the Roundel logo and M-Stripes logo shown
14 below:



15
16
17
18
19
20 Roundel Logo



M-Stripes Logo

21 10. BMW has used the Roundel logo and "BMW" mark in the United States
22 continuously since at least as early as 1949 in connection with the sale and service of
23 motor vehicles and wheels.

24 11. BMW has used the M-Stripes logo in the United States continuously since
25 at least as early as 1985 in connection with the sale and service of motor vehicles.

26 12. BMW has used the "M3" mark in the United States continuously since at
27 least as early as 1986 in connection with the sale and service of motor vehicles.

13. BMW has used the “M5” mark in the United States continuously since at least as early as 1994 in connection with the sale and service of motor vehicles.

14. BMW has used the “M6” mark in the United States continuously since at least as early as 1986 in connection with the sale and service of motor vehicles.


15. BMW has used the “X5” mark in the United States continuously since at least as early as 2001 in connection with the sale and service of motor vehicles.




16. BMW has used the “Z3” mark in commerce in the United States continuously since at least as early as 1997 in connection with the sale and service of motor vehicles.




17. BMW has used the “Z4” mark in commerce in the United States continuously since at least as early as 2002 in connection with the design, manufacture and distribution of motor vehicles and repair and maintenance services for motor vehicles.

18. Since long prior to the acts of the Defendants complained of herein, BMW has also used the Roundel logo, M-Stripes logo, “BMW” mark, and M3, M5, M6, X5, Z3, and Z4 marks in connection with its business of manufacturing, and distributing motor vehicles, wheels, and a variety of other products in the State of California.

19. BMW AG is the owner of the following U.S. Registrations for its Roundel logo, M-Stripes logo, “BMW” mark, and M3, M5, M6, X5, Z3, and Z4 marks:

<u>Mark</u>	<u>Reg. No.</u>	<u>Reg. Date</u>	<u>Class: Services/Goods</u>
	613,465	Oct. 4, 1955	Automobiles, motorcycles and parts thereof

<u>Mark</u>	<u>Reg. No.</u>	<u>Reg. Date</u>	<u>Class:</u> <u>Services/Goods</u>
	1,170,556	Sept. 22, 1981	Motor vehicle repair and maintenance services and dealership services
	1,450,212	Aug. 4, 1987	Automobiles, motorcycles, parts thereof, including wheels, wheel rims, and watches, clocks and various other goods and services
	2,752,258	Aug. 19, 2003	Cleaning preparations for use in the automotive field, engine oil and various other goods
"BMW"	611,710	Sept. 6, 1955	Automobiles and motorcycles
"BMW"	1,164,922	Aug. 11, 1981	Motor vehicle repair and maintenance services and dealership services
"BMW"	1,627,241	Sept. 18, 1990	Clothing
"BMW"	2,816,178	Feb. 24, 2004	Antifreeze, automobile paint, engine oils, vehicle parts and various other goods
"BMW"	3,436,270	May 27, 2008	Leasing services for motor vehicles; retail and

<u>Mark</u>	<u>Reg. No.</u>	<u>Reg. Date</u>	<u>Class:</u> <u>Services/Goods</u>
			wholesale financing services for motor vehicles; credit card services; online personal banking; online customer banking services for credit card, loan, finance and lease accounts; loan services
	1,438,545	Aug. 5, 1987	Automobiles
	2,683,597	Nov. 12, 2002	License plate frames, gear shift knobs, floor mats and various other goods
	3,526,899	Nov. 4, 2008	Automobiles and structural parts thereof
"M3"	2,535,373	Feb. 5, 2002	Passenger motor vehicles and structural parts therefor
"M3"	2,758,102	Sept. 2, 2003	License plate frames; floor mats and trunk mats for vehicles
"M5"	2,381,292	Aug. 29, 2000	Passenger motor vehicles and structural parts therefor
"M5"	2,683,596	Feb. 4, 2003	Floor mats for vehicles; metal key rings; headwear;

<u>Mark</u>	<u>Reg. No.</u>	<u>Reg. Date</u>	<u>Class:</u> <u>Services/Goods</u>
			shirts
"M6"	3,265,555	July 17, 2007	Motor vehicles and structural parts therefore
"X5"	2,826,976	Mar. 30, 2004	Clothing; mats for vehicles; toy vehicles; key rings, key fobs; fitted cargo liners
"X5"	2,484,353	Sept. 4, 2001	Motor vehicles and structural parts therefore; bicycle racks; key rings and license plates
"Z3"	2,816,179	Feb. 24, 2004	Metal shift knobs, metal key rings, vehicle racks, vehicle covers, license plate frames, stem caps for vehicle tires, floor mats
"Z4"	2,783,636	Nov. 18, 2003	Automobiles and structural parts therefor, excluding tires
"Z4"	2,848,370	June 1, 2004	Floor mats for vehicles; metal key rings

These registrations were duly and legally issued, and are valid and subsisting.

Registration Nos. 613,465; 1,170,556; 1,450,212; 2,752,258; 611,710; 1,164,922; 1,627,241; 2,816,178; 1,438,545; 2,683,597; 2,535,373; 2,758,102; 2,381,292; 2,683,596; 3,265,555; 2,826,976; 2,484,353; 2,816,179; 2,783,636; 2,848,370 are incontestable pursuant to 15 U.S.C. § 1065.

1 20. BMW NA distributes its vehicles, parts and accessories and provides
2 maintenance services for its customers through nationwide networks of authorized
3 dealers and service providers. BMW NA authorizes its dealerships to use the Roundel
4 logo, M-Stripes logo, “BMW” mark, and M3, M5, M6, X5, Z3, and Z4 marks in
5 connection with the sale and/or service of BMW products.

6 21. To create and maintain goodwill among its customers, BMW has taken
7 substantial steps to assure that all authorized BMW dealers and service providers using
8 the above marks are of the highest quality.

9 22. BMW has expended millions of dollars in advertising efforts across the
10 country in connection with its Roundel logo, M-Stripes logo, “BMW” mark, and M3,
11 M5, M6, X5, Z3, and Z4 marks. As a result of BMW’s long use and promotion of these
12 marks, BMW has established the Roundel logo, M-Stripes logo, “BMW” mark, and M3,
13 M5, M6, X5, Z3, and Z4 marks as famous and/or well-known and distinctive marks.

14 **BMW’s Design Patents**

15 23. BMW is one of the foremost manufacturers of automobiles and
16 automobile-related products, including wheels, in the world.

17 24. BMW AG is the owner of various valid and lawfully issued United States
18 Design Patents, including wheel design patent nos. 438,503; 515,491; 516,989; 551,149;
19 560,585; and 558,114 (collectively, the “BMW design patents”). Copies of BMW’s
20 design patents are attached hereto as Exhs. 5(A)-10(A). BMW NA is the exclusive
21 licensee of said patents in the United States.

22 **Defendants’ Wrongful Activities**

23 **Trademark Infringement**

24
25 25. Defendant Eurowheelsusa has been advertising, selling and offering for
26 sale wheels bearing BMW’s Roundel logo and M-Stripes logo even though Defendant
27 Eurowheelsusa’s wheels are not made or authorized by BMW. *See, e.g.*, Exh. 1.
28

1 26. BMW purchased a “BMW” wheel set from Eurowheelsusa over eBay.com.
2 The so-called “BMW” wheels were sent by Defendant J2 Wheels, Inc. with center caps
3 bearing BMW’s Roundel logo and wheel badges bearing BMW’s M-Stripes logo. *See*
4 Exh. 2. BMW subsequently determined the wheels to be fake.

5 27. Since October 13, 2008, Defendant Eurowheelsusa has sold, under the
6 seller name “eurowheelsusa” at ebay.com and at www.eurowheelsgallery.com, at least
7 1,298 sets of wheels to customers on five continents. *See* Exh. 3.

8 28. Defendant Eurowheelsusa is using the “BMW” word mark, M3 mark, M5
9 mark, M6 mark, X5 mark, Z3 mark, and Z4 mark, as or in the names of Defendant’s
10 products, even though Defendant’s products are not made or authorized by BMW. *See*
11 Exh. 4. For example, Defendant Eurowheelsusa calls his wheels “BMW Wheels” at
12 eBay.com and has a “BMW” wheel gallery at www.eurowheelsgallery.com. *Id.*

13 29. Defendant Eurowheelsusa also sells his wheels at eBay.com under a variety
14 of titles containing BMW’s trademarks, including but not limited to “Z4 Rims,” “M6
15 Wheels BMW,” “Wheels BMW X5,” “Z3 Rims,” and “M3 Rims.” *See, e.g.,* Exhs.
16 5(B); 6(B); 8(B); 9(B); and 10(B).

17 30. Defendant Eurowheelsusa does not have to use BMW’s trademarks as or in
18 the names of his products in order to truthfully inform consumers that he offers non-
19 BMW wheels for BMWs.

20 31. Defendants’ unauthorized use of BMW’s trademarks in the manner
21 described above:

- 22
- 23 (a) is likely to cause confusion (including but not limited to post-
24 purchase and point-of-sale confusion), to cause mistake, and/or to
25 deceive customers and potential customers of the parties, as to the
26 origin, sponsorship, or approval of Defendants’ products and
27 services, or as to some affiliation, connection, or association of
28 Defendants with BMW;

- 1 (b) enables Defendants to trade off of and receive the benefit of
2 goodwill BMW built up at great labor and expense over many years,
3 and to gain acceptance for Defendants' products and services not
4 solely on their own merits, but on the reputation and goodwill of
5 BMW, its trademarks, and its products and services;
6
- 7 (c) unjustly enriches Defendants; and
- 8 (d) unlawfully removes from BMW the ability to control the nature and
9 quality of products and services provided under BMW's trademarks
10 and places the goodwill and valuable reputation of BMW in the
11 hands of Defendants, over whom BMW has no control.
12

13 **Design Patent Infringement**

14 32. Defendants are infringing BMW U.S. Design Patent No. 438,503 ("the
15 '503 patent") by manufacturing, importing, offering to sell and/or selling wheels that are
16 covered by the '503 patent. A copy of BMW's U.S. Design Patent No. 438,503 and a
17 printout from Eurowheelsusa's online eBay store showing this wheel style are attached
18 hereto as Exhibits 5(A) and (B), respectively.

19 33. Defendants are infringing BMW U.S. Design Patent No. 515,491 ("the
20 '491 patent") by manufacturing, importing, offering to sell and/or selling wheels that are
21 covered by the '491 patent. A copy of BMW's U.S. Design Patent No. 515,491 and a
22 printout from Eurowheelsusa's online eBay store showing this wheel style are attached
23 hereto as Exhibit 6(A) and (B), respectively.

24 34. Defendants are infringing BMW U.S. Design Patent No. 516,989 ("the
25 '989 patent") by manufacturing, importing, offering to sell and/or selling wheels that are
26 covered by the '989 patent. A copy of BMW's U.S. Design Patent No. 516,989 and a
27

1 printout from Eurowheelsusa's online eBay store showing this wheel style are attached
2 hereto as Exhibit 7(A) and (B), respectively.

3 35. Defendants are infringing BMW U.S. Design Patent No. 551,149 ("the
4 '149 patent") by manufacturing, importing, offering to sell and/or selling wheels that are
5 covered by the '149 patent. A copy of BMW's U.S. Design Patent No. 551,149 and a
6 printout from Eurowheelsusa's online eBay store showing this wheel style are attached
7 hereto as Exhibit 8(A) and (B), respectively.

8 36. Defendants are infringing BMW U.S. Design Patent No. 560,585 ("the
9 '585 patent") by manufacturing, importing, offering to sell and/or selling wheels that are
10 covered by the '585 patent. A copy of BMW's U.S. Design Patent No. 560,585 and a
11 printout from Eurowheelsusa's online eBay store showing this wheel style are attached
12 hereto as Exhibit 9(A) and (B), respectively.

13 37. Defendants are infringing BMW U.S. Design Patent No. 558,114 ("the
14 '114 patent") by manufacturing, importing, offering to sell and/or selling wheels that are
15 covered by the '114 patent. A copy of BMW's U.S. Design Patent No. 558,114 and a
16 printout from Eurowheelsusa's online eBay store showing this wheel style are attached
17 hereto as Exhibit 10(A) and (B), respectively.

18 38. BMW has been damaged and continues to be damaged by Defendants
19 activities in the manner described above.

20 39. Unless these acts of Defendants are restrained by this Court, they will
21 continue to cause irreparable injury to BMW and to the public for which there is no
22 adequate remedy at law.

Count I
Federal Trademark Infringement and Counterfeiting
Lanham Act § 32, 15 U.S.C. § 1114(1)
(Against Defendant Eurowheelsusa)

40. BMW realleges and incorporates the allegations set forth in paragraphs 1 through 39 herein.

41. Defendant Eurowheelsusa is selling and advertising non-genuine “BMW” wheels bearing counterfeit reproductions of BMW’s Roundel logo and M-Stripes logo.

42. BMW owns a trademark registration for the Roundel logo specifically covering “wheels; and rims for vehicle wheels” in International Class 12 (Reg. No. 1,450,212). BMW also owns a trademark registration for the M-Stripes logo covering “car badges” and “wheels” in International Class 12 (Reg. No. 3,526,899).

43. Defendant Eurowheelsusa’s use of other federally registered BMW marks, including but not limited to the “BMW” mark, and M3, M5, M6, X5, Z3, and Z4 marks, on or in connection with Defendant’s products falsely indicates that Defendant’s wheels are made, authorized, sponsored or approved by BMW, and is likely to cause confusion, mistake, and deception as to the source or sponsorship of Defendant’s products.

44. The acts of Defendant Eurowheelsusa complained of herein constitute use in commerce of counterfeit reproductions, copies, or colorable imitations of BMW’s federally registered Roundel logo, M-Stripes logo, “BMW” mark, and M3, M5, M6, X5, Z3, and Z4 marks in connection with the sale, offering for sale, distribution and advertising of goods and services in violation of 15 U.S.C. § 1114(1).

45. Defendant Eurowheelsusa’s acts complained of herein have been deliberate, willful, and intentional, with full knowledge and in conscious disregard of BMW’s rights in its marks, and with intent to trade off BMW’s vast goodwill in its marks.

46. As a result of the foregoing alleged actions of Defendant Eurowheelsusa, BMW has been injured and damaged. Unless the foregoing alleged actions of Defendant are enjoined, BMW will continue to suffer injury and damage.

Count II
Contributory Federal Trademark Infringement and Counterfeiting
Lanham Act § 32, 15 U.S.C. § 1114(1)
(Against Defendant J2 Wheels, Inc.)

47. BMW realleges and incorporates the allegations set forth in paragraphs 1 through 46 herein.

48. Defendant J2 Wheels, Inc. is taking orders for, ordering and/or shipping non-genuine “BMW” wheels bearing counterfeit reproductions of BMW’s Roundel logo and M-Stripes logo.

49. Defendant J2 Wheels, Inc. has actual and/or constructive knowledge that the wheels referenced herein bear counterfeit reproductions of BMW's Roundel logo and M-Stripes logo.

50. BMW owns a trademark registration for the Roundel logo specifically covering “wheels; and rims for vehicle wheels” in International Class 12 (Reg. No. 1,450,212). BMW also owns a trademark registration for the M-Stripes logo covering “car badges” and “wheels” in International Class 12 (Reg. No. 3,526,899).

51. Defendant J2 Wheels Inc.'s acts complained of herein have been deliberate, willful, and intentional, with full knowledge and in conscious disregard of BMW's rights in its marks, and with intent to trade off BMW's vast goodwill in its marks.

52. The acts of Defendant J2 Wheels, Inc. complained of herein constitute use in commerce of reproductions, copies, or colorable imitations of BMW's federally registered "BMW" word mark, Roundel logo and M-Stripes logo in connection with the sale, offering for sale, distribution and advertising of goods and services in violation of 15 U.S.C. § 1114(1). The acts of Defendant J2 Wheels, Inc. constitute willful and deliberate contributory infringement.

1 53. As a result of the foregoing alleged actions of Defendant J2 Wheels, Inc.,
2 BMW has been injured and damaged. Unless the foregoing alleged actions of
3 Defendant are enjoined, BMW will continue to suffer injury and damage.

4
5 **Count III**
6 **Federal Unfair Competition and False Designation of Origin**
7 **(Lanham Act § 43(a), 15 U.S.C. § 1125)**
8 **(Against Defendant Eurowheelsusa)**

9 54. BMW realleges and incorporates the allegations set forth in paragraphs 1
10 through 53 herein.

11 55. Defendant Eurowheelsusa's unauthorized use of BMW's Roundel logo, M-
12 Stripes logo and "BMW" word mark in connection with the sale of wheels that are not
13 made or authorized by BMW falsely indicates that Defendant and his products and
14 services are connected with, sponsored by, affiliated with, or related to BMW.

15 56. Defendant Eurowheelsusa's unauthorized use of BMW's Roundel logo, M-
16 Stripes logo and "BMW" word mark in connection with the sale of wheels that are not
17 made or authorized by BMW has caused, and is likely to continue to cause confusion,
18 mistake, and deception as to the source or sponsorship of Defendant and his products
19 and services.

20 57. Defendant Eurowheelsusa's use of other federally registered BMW marks,
21 including but not limited to the "BMW" mark, and M3, M5, M6, X5, Z3, and Z4 marks,
22 as or in the names of Defendant's products falsely indicates that Defendant's wheels are
23 made, authorized, sponsored or approved by BMW, and is likely to continue to cause
24 confusion, mistake, and deception as to the source or sponsorship of Defendant and his
25 products and services.

26 58. The acts of Defendant Eurowheelsusa complained of herein constitute
27 unfair competition, false designation of origin, and trade name infringement in violation
28 of Section 43(a) of the Lanham Act, 15 U.S.C. § 1125(a).

59. Defendant Eurowheelsusa's acts complained of herein have been deliberate, willful, and intentional, with full knowledge and in conscious disregard of BMW's rights in its marks.

60. As a result of the foregoing alleged actions of Defendant Eurowheelsusa, BMW has been injured and damaged. Unless the foregoing alleged actions of Defendant are enjoined, BMW will continue to suffer injury and damage.

Count IV
Contributory Federal Unfair Competition and False Designation of Origin
(Lanham Act § 43(a), 15 U.S.C. § 1125)
(Against Defendant J2 Wheels, Inc.)

61. BMW realleges and incorporates the allegations set forth in paragraphs 1 through 60 herein.

62. Defendant J2 Wheels, Inc. has materially encouraged, enabled, and contributed to the infringing conduct by taking orders for, ordering and/or shipping non-genuine "BMW" wheels that bear counterfeit reproductions of BMW's Roundel logo and M-Stripes logo.

63. Defendant J2 Wheels, Inc. has actual and/or constructive knowledge that the wheels referenced herein are not "BMW" wheels and bear counterfeit reproductions of BMW's Roundel logo and M-Stripes logo.

64. Defendant J2 Wheels, Inc.'s acts complained of herein have been deliberate, willful, and intentional, with full knowledge and in conscious disregard of BMW's rights in its marks.

65. Defendant J2 Wheels, Inc.'s conduct has caused and is likely to continue to cause confusion, mistake, and deception as to the source or sponsorship of both Defendants and their products and services.

66. The acts of Defendant J2 Wheels, Inc. complained of herein constitute contributory unfair competition and false designation of origin with respect to the

1 “BMW” mark, Roundel logo and M-Stripes logo in violation of Section 43(a) of the
2 Lanham Act, 15 U.S.C. § 1125(a).

3 67. As a result of the foregoing alleged actions of Defendant J2 Wheels, Inc.,
4 BMW has been injured and damaged. Unless the foregoing alleged actions of
5 Defendant are enjoined, BMW will continue to suffer injury and damage.

6
7 **Count V**
8 **Trademark Infringement and Unfair Competition**
9 **Common Law of California**
10 **(Against Defendant Eurowheelsusa)**

11 68. BMW re-alleges and incorporates the allegations set forth in paragraphs 1
12 through 67 herein.

13 69. The acts of Defendant Eurowheelsusa complained of herein constitute
14 trademark infringement and unfair competition in violation of the common law of
15 California.

16 70. Defendant Eurowheelsusa’s use of the infringing marks as described above
17 has caused, is causing and, unless enjoined by this Court, will continue to cause
18 confusion and mistake in the marketplace and deception of the trade and public as to the
19 relationship or affiliation of the parties and the source, origin, or sponsorship of their
20 respective products and/or services.

21 71. On information and belief, Defendant Eurowheelsusa, with full knowledge
22 of BMW’s rights in its Roundel logo, M-Stripes logo, “BMW” mark, and M3, M5, M6,
23 X5, Z3, and Z4 marks, and of the valuable goodwill associated therewith, has
24 committed the acts alleged herein willfully, with the intent to trade off, or in complete
25 disregard of, BMW’s goodwill and the goodwill associated with BMW’s marks.

26 72. As a result of the foregoing alleged actions, Defendant Eurowheelsusa has
27 been unjustly enriched and BMW has been injured and damaged. Unless the foregoing
28 alleged actions of Defendant are enjoined, BMW will continue to suffer injury and
damage.

73. Defendant Eurowheelsusa's use of the infringing marks as described above has impaired, is impairing and, unless enjoined by this Court, will continue to impair BMW's reputation under its trademarks and has caused, is causing and, unless enjoined by this Court, will continue to cause injury and damage to BMW for which BMW is entitled to relief under the common law.

Count VI
Contributory Trademark Infringement and Unfair Competition
Common Law of California
(Against Defendant J2 Wheels, Inc.)

74. BMW re-alleges and incorporates the allegations set forth in paragraphs 1 through 73 herein.

75. The acts of Defendant J2 Wheels, Inc. complained of herein constitute contributory trademark infringement and unfair competition in violation of the common law of California.

76. Defendant J2 Wheels, Inc. has materially encouraged, enabled, and contributed to the infringing conduct by taking orders for, ordering and/or shipping non-genuine "BMW" wheels that bear counterfeit reproductions of BMW's Roundel logo and M-Stripes logo.

77. Defendant J2 Wheels, Inc.'s conduct has caused, is causing and, unless enjoined by this Court, will continue to cause confusion and mistake in the marketplace and deception of the trade and public as to the relationship or affiliation of the parties and the source, origin, or sponsorship of their respective products and/or services.

78. On information and belief, Defendant J2 Wheels, Inc., with full knowledge of BMW's rights in its "BMW" mark, Roundel logo and M-Stripes logo and of the valuable goodwill associated therewith, has committed the acts alleged herein willfully, with the intent to trade off, or in complete disregard of, BMW's goodwill and the goodwill associated with these marks.

Count VII
Design Patent Infringement
U.S. Design Patent No. 438,503
35 U.S.C. §271
(Against all Defendants)

82. Defendants have been infringing U.S. Design Patent No. 438,503 in violation of 35 U.S.C. § 271 by making, offering for sale, selling, and/or distributing products that are covered by the ‘503 patent in the United States.

84. As a result of Defendants' infringement, Plaintiffs have suffered and will continue to suffer damages. Upon information and belief, Defendants' infringement will persist unless enjoined by this Court.

85. The acts complained of herein constitute design patent infringement in violation of 35 U.S.C. § 271.

Count VIII
Design Patent Infringement
U.S. Design Patent No. 515,491
35 U.S.C. §271
(Against all Defendants)

86. BMW realleges and incorporates the allegations set forth in paragraphs 1 through 85 herein.

87. Defendants have been infringing U.S. Design Patent No. 515,491 in violation of 35 U.S.C. § 271 by making, offering for sale, selling, and/or distributing products that are covered by the '491 patent in the United States.

88. Defendants' acts complained of herein have been willful, deliberate and with conscious disregard of BMW's U.S. design patent rights.

89. As a result of Defendants' infringement, Plaintiffs have suffered and will continue to suffer damages. Upon information and belief, Defendants' infringement will persist unless enjoined by this Court.

90. The acts complained of herein constitute design patent infringement in violation of 35 U.S.C. § 271.

Count IX
Design Patent Infringement
U.S. Design Patent No. 516,989
35 U.S.C. §271
(Against all Defendants)

91. BMW realleges and incorporates the allegations set forth in paragraphs 1 through 90 herein.

92. Defendants have been infringing U.S. Design Patent No. 516,989 in violation of 35 U.S.C. § 271 by making, offering for sale, selling, and/or distributing products that are covered by the '989 patent in the United States.

1 93. Defendants' acts complained of herein have been willful, deliberate and
2 with conscious disregard of BMW's U.S. design patent rights.

3 94. As a result of Defendants' infringement, Plaintiffs have suffered and will
4 continue to suffer damages. Upon information and belief, Defendants' infringement
5 will persist unless enjoined by this Court.

6 95. The acts complained of herein constitute design patent infringement in
7 violation of 35 U.S.C. § 271.

8
9 **Count X**
10 **Design Patent Infringement**
11 **U.S. Design Patent No. 551,149**
12 **35 U.S.C. §271**
13 **(Against all Defendants)**

14 96. BMW realleges and incorporates the allegations set forth in paragraphs 1
15 through 95 herein.

16 97. Defendants have been infringing U.S. Design Patent No. 551,149 in
17 violation of 35 U.S.C. § 271 by making, offering for sale, selling, and/or distributing
18 products that are covered by the '149 patent in the United States.

19 98. Defendants' acts complained of herein have been willful, deliberate and
20 with conscious disregard of BMW's U.S. design patent rights.

21 99. As a result of Defendants' infringement, Plaintiffs have suffered and will
22 continue to suffer damages. Upon information and belief, Defendants' infringement
23 will persist unless enjoined by this Court.

24 100. The acts complained of herein constitute design patent infringement in
25 violation of 35 U.S.C. § 271.

Count XI
Design Patent Infringement
U.S. Design Patent No. 560,585
35 U.S.C. §271
(Against all Defendants)

101. BMW realleges and incorporates the allegations set forth in paragraphs 1 through 100 herein.

102. Defendants have been infringing U.S. Design Patent No. 560,585 in violation of 35 U.S.C. § 271 by making, offering for sale, selling, and/or distributing products that are covered by the '585 patent in the United States.

103. Defendants' acts complained of herein have been willful, deliberate and with conscious disregard of BMW's U.S. design patent rights.

104. As a result of Defendants' infringement, Plaintiffs have suffered and will continue to suffer damages. Upon information and belief, Defendants' infringement will persist unless enjoined by this Court.

105. The acts complained of herein constitute design patent infringement in violation of 35 U.S.C. § 271.

Count XII
Design Patent Infringement
U.S. Design Patent No. 558,114
35 U.S.C. §271
(Against all Defendants)

106. BMW realleges and incorporates the allegations set forth in paragraphs 1 through 105 herein.

107. Defendants have been infringing U.S. Design Patent No. 558,114 in violation of 35 U.S.C. § 271 by making, offering for sale, selling, and/or distributing products that are covered by the '114 patent in the United States.

108. Defendants' acts complained of herein have been willful, deliberate and with conscious disregard of BMW's U.S. design patent rights.

109. As a result of Defendants' infringement, Plaintiffs have suffered and will continue to suffer damages. Upon information and belief, Defendants' infringement will persist unless enjoined by this Court.

110. The acts complained of herein constitute design patent infringement in violation of 35 U.S.C. § 271.

Prayer for Relief

WHEREFORE, BMW prays that:

1. Defendants be adjudged liable as to the foregoing claims.
2. Defendants, their agents, servants, employees, affiliates, partners and all others in active concert or participation with any of them, be permanently enjoined and restrained from:

- (a) using BMW's Roundel logo, M-Stripes logo, or colorable imitations thereof, or making trademark use of the "BMW" mark, or any other name or mark that is confusingly similar to these marks, in connection with the sale of wheels that are not made or authorized by BMW, including but not limited to advertising, selling, shipping, ordering, or distributing wheels or wheel badges bearing BMW's M-Stripes logo or colorable imitations thereof, wheel center caps bearing BMW's Roundel logo or colorable imitations thereof, and/or designating wheels "BMW Wheels" or the like when the wheels are not made by or intended to be sold in their current condition by BMW;

- 1 (b) using BMW's trademarks as or in the names, titles, and listings of
2 Defendants' products, including but not limited to the "BMW" mark,
3 and M3, M5, M6, X5, Z3, and Z4 marks;
4
5 (c) manufacturing, importing, marketing, advertising, offering to sell
6 and/or selling wheels that infringe upon BMW's U.S. Design Patent
7 Nos. 438,503; 515,491; 516,989; 551,149; 560,585; and 558,114;
8 and
9 (d) doing any other act or thing likely to confuse, mislead, or deceive
10 others into believing that Defendants emanate from, or are connected
11 with, sponsored or approved by, BMW or that any of their products
12 are otherwise authorized by BMW.

13 3. Defendants, in accordance with Section 34(a) of the United States
14 Trademark Act, 15 U.S.C. § 1116(a), be required to file with the Court, and
15 serve upon BMW, within thirty (30) days after the entry and service on
16 Defendants of an injunction, a report in writing and under oath, setting
17 forth in detail the manner and form in which Defendants have complied
18 with the terms of such injunction.

19 4. Defendants be required to pay to BMW for their willful counterfeiting and
20 trademark infringement:

- 21 (a) in accordance with Section 35 of the United States Trademark Act,
22 15 U.S.C. § 1117(b) and (c), an award of Defendants' profits and
23 BMW's actual damages, the greater of which being trebled, or
24 statutory damages up to \$2 million per counterfeit mark per type of
25 counterfeit good sold by Defendants, offered for sale, or distributed
26 by Defendants, resulting from Defendants' intentional use of
27 BMW's Roundel logo and M-Stripes logo in connection with the
28

- 1 sale of wheels and wheel badges that are not made or authorized by
2 BMW, including pre-judgment interest;
- 3 (b) in accordance with Section 35(a) of the United States Trademark
4 Act, 15 U.S.C. § 1117(a) and (b), an award of treble BMW's actual
5 damages plus Defendants' profits resulting from Defendants' use of
6 the "BMW" mark, and BMW's M3, M5, M6, X5, Z3, and Z4 marks,
7 on or in connection with the sale of wheels that are not made or
8 authorized by BMW;
- 9 (c) exemplary or punitive damages in a sum sufficient to deter future
10 acts of and trademark infringement, as well as of unfair competition;
11 and
- 12 (d) BMW's attorneys' fees and costs of this action.
- 13 5. For their repeated, willful, and deliberate design patent infringement:
- 14 (a) Defendants be held liable to the extent of their total profits from
15 design patent infringement pursuant to 35 U.S.C. § 289; and
- 16 (b) the Court award BMW treble damages, pursuant to 35 U.S.C. § 284,
17 and declare this case exceptional and award BMW its attorneys' fees
18 pursuant to 35 U.S.C. § 285.
- 19 6. BMW recover such other relief as the Court may deem appropriate.
20 Defendants' acts complained of herein have been willful, deliberate and with
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Respectfully submitted,

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